

05/04/2016

Dear Senator Nofs,

I am writing to you today regarding SB437 & SB438 on behalf college students I represent and professionals in the Architecture/Engineering/Construction Industry that I work alongside with.

I live in Royal Oak, and I am an architect by trade working in Detroit, but volunteer for the U.S. Green Building Council (USGBC) and The Center-for Green School as USGBC Students National Chair for MI along with IN & OH. I am writing to you on behalf of the students I communicate with at Michigan State University, Wayne State University, Eastern Michigan University, Lawrence Technological University, and Grand Rapids Community College where USGBC Students Groups are organized. I am also writing to share the concerns that many of my fellow professional architects, engineers and contractors that I work alongside with on construction projects.

Students and professionals have raised concerns to me regarding SB 437 & SB438 bills and how it affects their future. During the Great Recession, from 2008 through 2010, I was in an industry that was greatly affected. Close to 50% of professional architects in the state of Michigan lost their jobs, while many engineers were laid off too. Construction related work was few and far between, but luckily enough I was at a firm that was able to survive mostly due clients coming to us to help them decrease their overhead of energy & water use. This work varied from Detroit Public Schools which wanted to build new/renovate schools that were designed to use less energy & water than current schools to Tier 1 Automotive Suppliers who wanted energy and heating/cooling upgrades to their buildings to lower their overhead allowing them try to stay profitable during tough economic times. The architects, engineers & contractors/construction workers were lucky that in 2008 Michigan Legislature had passed energy optimization and renewable targets to be achieved by the energy industry, encouraging utilities to provide assistance to allow businesses to make upgrades. Some companies realized that by spending some money would help long term energy costs and boost their bottom line profits. Residents used incentives to place solar on their roof and sell excess energy back to grid. A friend of mine was laid off during the depression, but with producing enough energy to negate the normal energy bill helped them survive without losing their house during those tough financial times.

Currently utility companies provide incentives for business, but they have been decreasing over the past years due to the utilities achieve the mandates set in 2008. Unless standards are raised and net metering is allowed to continue in its current state, those incentives from the utilities to residents and business will decrease to a negligible amount that it will have now impact towards energy efficiency related projects. This could lead to decreased construction and loss of jobs.

Michigan should look outside its border to find success stories of government programs and energy mandates assisting businesses and residents to save money, create new jobs, and provide new revenue streams that add tax dollars back into the government coffers.

- Michigan has a number of cities, like Ann Arbor, Bay City & Coldwater, that have sister cities in Germany. Part of that reason is that Germany is very similar to Michigan especially regarding agriculture & industries such as automotive & technology. It has a similar climate but a little cooler and less sun, yet for energy independence from Russia and coal imports from Poland they have grown their renewable energy generation to the point of a number of days that produce over 50% from solar and wind energy. Farmers and small farming communities act as micro-grids selling energy back to nearby residents allowing farmer to make money on energy produced or small cities require less governmental assistance.
- If Germany is too foreign to relate, let's look at California who has passed mandates that all new residential homes constructed be net-zero energy by 2020 and commercial building be net-zero energy by 2030. This means they will be designed and constructed to use less energy than current typical construction standards and have renewable energy production that generates equal or more that needed. While this does increase the costs of the buildings, it allows the owner the freedom of paying utility bills and the ability to spend that money elsewhere.
- If California is too liberal for you, then let's look at Texas, where farmers have wind turbines on their farms generating energy and use net metering to sell excess energy back to the utilities. This allows them, like the German farmers, to survive when crops or cattle are affected by climate or disease. Let's help Michigan farmers.

Other observations and concerns that I would like to share with you regarding SB 437 & 438

- Passing higher mandates or creating more incentives for renewable energy and energy optimization, will create jobs. Passing SB 437 & SB438 in their current state will actually hurt construction industry by decreasing the incentives that residents and businesses will receive from the utility companies to design and construct projects that are energy efficient
- Getting rid of mandates is hypocritical when compared to ending the energy choice option. One cannot say they are for allowing the market to be free regarding renewables and energy optimization yet closing the market to freedom of choice for energy provider. It is halfway, either close the freedom of choice and regulate the industry through mandates or as Rep. Gary Glenn has in the past spoken on open the energy market and provide incentives to encourage renewable energy and energy optimization to help the bottom line of residents, businesses, schools, etc.
- ***Mandates are not a dirty word, here are examples where they have helped:***
 - Without them how dirty would our air and water be and how unsafe would products be?
 - Would our paint still have lead in it like they do in China?
 - Would asbestos still be used in insulating homes and other products?
 - How many lives especially around coal burning plants would have been lost due to polluted air had not the EPA mandate clean air standards?
 - How large of an O-Zone related hole in the atmosphere would there be had not CFCs been?
 - How many more construction industry jobs would have been lost during the Great Depression of a few years ago had Michigan not mandated the utilities to meet a renewable energy and energy optimization mandates as well as allow for net metering?

Mandates on energy optimization for energy efficiency and renewable energy help the bottom line of small businesses, big businesses and residents. By installing renewable energy or make a building more energy efficient, it allows the owners to spend more money elsewhere. This helps lower their overhead energy costs and encourages more jobs in the technical and skilled worker area of construction architecture and engineering. In the end it provides additional tax revenue for the state through a trickle economic effect.

In conclusion these bills not only go against what the majority of public is requesting, it will hurt the majority of voters and businesses that you are represent, residents, small businesses, big businesses, local governments, church congregations, farmers, skilled workers of architects, engineers, contractors and construction workers who design and construct energy optimization and renewable energy related projects, and students in Michigan that are coming out of college is looking for those highly skilled in the construct related industry. These bills currently appear very friendly to the utility industry, I encourage you to modify them to be based upon the overwhelming majority of your constituents that want to save or create new jobs, to save money on energy use, and want renewable energy as a major source of energy for use in the state.

Thank you for time and I hope you consider and institute changes to the Senate Bills to mandate more renewable energy creation and energy optimization for buildings.

Sincerely,

Anthony Offak, RA, NCARB, LEED AP BD+C

USGBC Students National Chair – Region 7: IN, MI & OH